AXA announces the successful placement of Euro 1.5 billion Restricted Tier 1 Notes

AXA today announced the successful placement of Euro 1.5 billion of Reg S perpetual deeply subordinated notes (the “Notes”) with institutional investors. The Notes qualify as Restricted Tier 1 capital under Solvency II. Investor demand for the issuance was strong with a book subscribed more than 5 times.

The initial fixed rate has been set at 6.375% per annum until the end of a 6-month call window period (ending on January 16, 2034), when the interest rate will reset and every five years thereafter at the prevailing Euro 5-year Mid Swap rate plus a margin of 384.1 basis points. In line with the Solvency II requirements, the Notes feature a loss absorption mechanism in the form of a write-down1 of the nominal amount of the Notes in the event that one of the solvency-related triggers2 is breached3. Interest payments are at the full discretion of AXA unless they are mandatorily prohibited.

The Notes are expected to be rated BBB+ by Standard & Poor’s and Baa1(hyb) by Moody’s. They will be treated as capital from a regulatory and rating agencies’ perspective within applicable limits.

This issuance is part of AXA Group’s funding plan for 2024 and the proceeds will be used for general corporate purposes, including the refinancing of part of the AXA Group’s outstanding debt.

The settlement of the Notes is expected to take place on January 16, 2024.

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1 With discretionary reinstatement subject to conditions as further described in the Prospectus dated January 10, 2024
2 As determined under Solvency II
3 Either at AXA Group level or at AXA SA solo level. AXA SA expects to transition the calculation of its Solo Solvency II ratio from the Solvency II standard formula to the AXA Group's Internal Model by the end of 2024, subject to prior approval by the ACPR. At AXA SA level, the impact of such transition is expected to result in a reduction in the AXA SA Solo Solvency II ratio to a level more consistent with AXA Group’s Solvency II ratio. At Group level, such transition is expected to have an immaterial impact on the AXA Group’s Solvency II ratio and a limited negative impact on the AXA Group’s MCR coverage. The AXA SA MCR coverage is expected to remain materially above the AXA Group MCR coverage.
ABOUT THE AXA GROUP
The AXA Group is a worldwide leader in insurance and asset management, with 145,000 employees serving 93 million clients in 51 countries. In 2022, IFRS revenues amounted to Euro 102.3 billion and underlying earnings to Euro 7.3 billion. AXA had Euro 933 billion in assets under management, including assets managed on behalf of third parties, as of December 31, 2022.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISIN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA’s American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment.

This press release and the regulated information made public by AXA pursuant to article L. 451-1-2 of the French Monetary and Financial Code and articles 222-1 et seq. of the Autorité des marchés financiers' General Regulation are available on the AXA Group website (axa.com).

THIS PRESS RELEASE IS AVAILABLE ON THE AXA GROUP WEBSITE axa.com

IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP FINANCIAL MEASURES
Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward-looking statements. Please refer to Part 5 - "Risk Factors and Risk Management" of AXA’s Universal Registration Document for the year ended December 31, 2022 (the "2022 Universal Registration Document") and "Operating Highlights - Risk Factors" on page 11 of AXA’s Half-Year Financial Report as of June 30, 2023 (the "Half-Year 2023 Financial Report") for a description of certain important factors, risks and uncertainties that may affect AXA’s business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

In addition, this press release refers to certain non-GAAP financial measures, or alternative performance measures ("APM") used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have not been standardized and therefore may not be comparable to similarly labeled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS. Underlying Earnings, is an APM as defined in ESMA’s guidelines and the AMF’s related position statement issued in 2015. A reconciliation from APM Underlying Earnings to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 18 and 19 of AXA’s Half-Year 2023 Financial Report. The above mentioned and other non-GAAP financial measures used in this press release are defined in the Glossary set forth on pages 36 to 41 of AXA’s Half-Year 2023 Financial Report. The treatment of certain non-GAAP financial measures in this press release for these purposes may change over time in connection with the development of IFRS 17/9 reporting practices.

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This press release does not constitute a recommendation concerning any issue of securities. Potential investors should consult a professional adviser as to the suitability of the Notes referred to herein for the person concerned.

This press release and the information it contains may not be published, released, forwarded, transmitted or distributed, directly or indirectly, in or into the United States (including its territories and dependencies) or to any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933) or any person located or resident in the United States.

This press release is an advertisement and not a prospectus for the purposes of Regulation (EU) 2017/1129 of June 14, 2017 (as amended, the "Prospectus Regulation") and Delegated Regulation (EU) 2019/979 of March 14, 2019, as amended. Investors in the European Economic Area ("EEA") who wish to obtain information on the terms and conditions of the Notes, and determine whether or not they may, and wish to, subscribe thereto are urged to read, and refer exclusively to, the prospectus to be submitted by AXA SA for approval to the Luxembourg Financial Markets Authority (Commission de Surveillance du Secteur Financier (the "CSSF")), before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in these securities. Such prospectus will be published on AXA's website (www.axa.com, Section "Investors", sub-section "Legal Information & Financing", pages "Listed Notes (EMTN)" or "Listed Notes (other)" and on the website of the Luxembourg Stock Exchange (www.bourse.lu). The approval of this prospectus by the CSSF should not be understood as an endorsement of the securities offered or admitted to trading on a regulated market.

The Notes referred to herein are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, and no action has been or will be undertaken to offer, sell or otherwise make available any Notes, to any retail investor in the EEA. For the purposes of this provision: (a) “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as applicable. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes, or otherwise making them available, to retail investors in the EEA has been prepared and the therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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The Notes referred to herein are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, and no action has been or will be undertaken to offer, sell or otherwise make available any Notes, to any retail investor in the UK. For the purposes of this provision a “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2 of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (as amended, the “UK PRIIPs Regulation”) for offering or selling the Notes, or otherwise making them available, to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.